

AMENDED IN ASSEMBLY MARCH 13, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1576

Introduced by Assembly Member Huber
(Coauthor: Assembly Member Beth Gaines)
(Coauthor: Senator Gaines)

February 2, 2012

An act to amend Sections 1042 and 47603 of the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 1576, as amended, Huber. Charter schools: loans.

~~Existing~~

(1) *Existing* law authorizes a county superintendent of schools, with the approval of the county board of education, to ~~temporarily~~ temporarily transfer moneys to a school district under specified circumstances.

The Charter Schools Act of 1992 authorizes any one or more persons to submit a petition to the governing board of a school district to establish a charter school that operates independently from the existing school district structure as a method of accomplishing specified goals.

This bill would, *subject to the concurrence of the county superintendent of schools*, authorize a county board of education to loan moneys to a charter school for which the county board of education or the county superintendent of schools has a supervisory responsibility or, regardless of whether the charter school is within or outside of the county, with which a county board of education or county superintendent of schools has a contractual relationship. The bill would require the county superintendent of schools, before ~~making~~ *making the county board of*

education makes the loan, (A) to advise the chartering authority of the charter school and the county office of education in which the charter school is located that the charter school is requesting the loan and, (B) to allow for input from the chartering authority and the county office of education regarding the advisability of making the loan, and would require the county superintendent of schools (C) to solicit a recommendation from bond counsel about the advisability of making the loan, (D) to determine whether to concur with the intent of the county board of education to make the loan, and (E) to notify the county board of education of that determination. The bill would provide that any loan of moneys pursuant to these provisions would not constitute a debt or liability for the county superintendent of schools, the county board of education, or the State of California.

(2) Existing law states that a private person or organization is not prohibited from providing funding or other assistance to the establishment or operation of a charter school.

This bill would authorize a charter school to contract with a county superintendent of schools or a county board of education for purposes of borrowing moneys, as described above. The bill would require the borrowed moneys to be expended by a charter school solely for purposes of meeting the short term, working capital operational needs of the charter school and not for purposes of making capital acquisitions.

~~The~~

(3) This bill also would make ~~technical and conforming~~ nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1042 of the Education Code is amended
2 to read:
3 1042. County boards of education may do all of the following:
4 (a) Adopt rules and regulations governing the administration of
5 the office of the county superintendent of schools.
6 (b) Review the county superintendent of schools annual itemized
7 estimate of anticipated revenue and expenditures before the annual
8 itemized estimate is filed with the auditor as required by Section
9 29040 of the Government Code, and make ~~any~~ revisions,
10 reductions, or additions ~~therein~~ in the annual itemized estimate it

1 deems advisable and proper. ~~No~~ *An annual* itemized estimate shall
2 *not* be filed by the county superintendent of schools or be approved
3 by the board of supervisors until it has first been so reviewed and
4 approved by the county board of education.

5 (c) In the name by which the *county* board of education is
6 designated, acquire, lease, lease-purchase, hold, and convey real
7 property for the purpose of housing the offices and the services of
8 the county superintendent of schools, except that this subdivision
9 shall only apply to the county boards of education to which all or
10 a portion of the duties and functions of the county board of
11 supervisors specified in subdivision (b) of Section 1080 have been
12 transferred, with the exception of the recreational duties and
13 recreational functions specified in subdivisions (c) and (d) of
14 Section 1080.

15 (d) Contract with and employ any persons for the furnishing to
16 ~~the board~~ *county board of education* of special services and advice
17 in financial, economic, accounting, engineering, legal, or
18 administrative matters if these persons are specially trained and
19 experienced and competent to perform the special services required.
20 ~~The board~~ *county board of education* may pay to these persons
21 from any available funds the compensation that it deems proper
22 for the services rendered.

23 (e) (1) Notwithstanding Section 25304 of the Government
24 Code, fill by appointment any vacancy that occurs during the term
25 of office of the county superintendent of schools. In a county in
26 which ~~the superintendent~~ *county superintendent of schools* is
27 elected, the appointee shall hold office until the office is filled by
28 election at the next gubernatorial election.

29 (2) The authority described in this subdivision shall be vested
30 in a county board of education only upon its adoption by ~~the board~~
31 *county board of education* at a public meeting held pursuant to
32 Article 1 (commencing with Section 1000).

33 (f) (1) ~~Use~~ *Subject to the concurrence of the county*
34 *superintendent of schools pursuant to paragraph (3), use* and
35 expend moneys to make loans to a charter school for which the
36 county board of education or the county superintendent of schools
37 has a supervisory responsibility or, regardless of whether the
38 charter school is within or outside of the county, with which the
39 county board of education or the county superintendent of schools
40 has a contractual relationship pursuant to subdivision (b) of Section

1 47603. Moneys borrowed by the county board of education for
2 the purpose of making a loan to a charter school shall be payable
3 solely from the funds of the charter school and shall not constitute
4 a debt or liability of the county board of education or the county
5 superintendent of schools, notwithstanding the provisions of
6 Section 53857 of the Government Code, or any other law.

7 (2) The State of California is not liable for any debt or liability
8 within the meaning of Section 1 of Article XVI of the California
9 Constitution, or otherwise, for loans made pursuant to this
10 subdivision.

11 (3) Before the county board of education makes a loan pursuant
12 to this subdivision, the county superintendent of schools shall
13 ~~advise~~ *do all of the following:*

14 (A) *Advise* the chartering authority of the charter school and the
15 county office of education in which the charter school is primarily
16 located that the charter school has requested the ~~loan and shall~~
17 ~~allow loan.~~

18 (B) *Allow* the chartering authority and county office of education
19 to provide input regarding the advisability of making the loan. ~~The~~
20 ~~county superintendent of schools also shall solicit~~

21 (C) *Solicit* a recommendation from bond counsel about the
22 advisability of making the loan.

23 (D) *Determine whether to concur with the intent of the county*
24 *board of education to make the loan.*

25 (E) *Notify the county board of education of the determination*
26 *made pursuant to subparagraph (D).*

27 SEC. 2. Section 47603 of the Education Code is amended to
28 read:

29 47603. (a) This part shall not be construed to prohibit any
30 private person or organization from providing funding or other
31 assistance to the establishment or operation of a charter school.

32 (b) (1) A charter school may contract with a county
33 superintendent of schools or a county board of education for ~~the~~
34 purposes of borrowing moneys pursuant to subdivision (f) of
35 Section 1042.

36 (2) *Moneys borrowed pursuant to subdivision (f) of Section*
37 *1042 shall be expended by a charter school solely for purposes of*
38 *meeting the short term, working capital operational needs of the*

1 *charter school, and shall not be used for purposes of making*
2 *capital acquisitions.*

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